



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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October 2, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT
COMPROMISE OFFER OF SETTLEMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services (Director) or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – Various	\$31,258
(2)	Account Number	H/UCLA – 8310364	\$622,480
(3)	Account Number	H/UCLA – 8286990	\$241,107
(4)	Account Number	LAC+USC – 5092455	\$305,000
(5)	Account Number	RLANRC – 2978674	\$11,466

Board of Supervisors
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First District

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offer of settlement for patient account (1) is recommended because the patient is unable to pay the full amount of charges and the compromise offer represents the maximum amount the Department will be able to receive under the legal settlement involved in this case. The compromise offer of settlement for patient accounts (2) - (4) are recommended because the amounts are the highest amount that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of these cases, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations. The compromise offer of settlement for patient account (5) is recommended because the patient cannot pay the full amount of charges based on his current financial status, and this is the highest amount he is able to contribute to settle the account.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$1,211,311.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 8, 2002 the Board approved an ordinance granting the Director authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Honorable Board of Supervisors
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Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the plaintiff's attorney retainer agreement, and costs accrued by plaintiff associated with the legal process.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
DRJ:AT:bjs

Attachments (5)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: October 2, 2007

Total Charges	\$125,040	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$125,040	Date of Service	Various
Compromise Amount Offered	\$31,258	% Of Charges	25%
Amount to be Written Off	\$93,782	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$125,040 for medical services rendered. A Medi-Cal application was taken and denied. The patient's third party liability (TPL) claim settled for \$115,000, the policy limit carried by the parties responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement*
Lawyer's Fees	\$46,000	\$38,333.33	33.33%
Lawyer's Cost	\$150		
LAC+USC Medical Center	\$125,040	\$31,258	27.18%
Other Lien Holders	\$54,522	\$8,295.40	7.21%
Patient		\$37,113.27	32.27%
Total		\$115,000	100%

* 34.39% of the settlement was allocated to all lien holders – (27.18% to LAC+USC Medical Center and 7.21% to others). The patient's attorney agreed to waived his cost.

Based on the information obtained, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: October 2, 2007

Total Charges	\$778,100	Account Number	8310364
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$778,100	Date of Service	3/29/07-5/28/07
Compromise Amount Offered	\$622,480	% Of Charges	80%
Amount to be Written Off	\$155,620	Facility	H/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: October 2, 2007

Total Charges	\$321,476	Account Number	8286990
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$321,476	Date of Service	3/26/07-4/19/07
Compromise Amount Offered	\$241,107	% Of Charges	75%
Amount to be Written Off	\$80,369	Facility	H/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: October 2, 2007

Total Charges	\$434,890	Account Number	5092455
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$434,890	Date of Service	11/10/06-12/15/06
Compromise Amount Offered	\$305,000	% Of Charges	70%
Amount to be Written Off	\$129,890	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: October 2, 2007

Total Charges	\$34,398	Account Numbers	2978674
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$34,398	Dates of Service	5/11/05 – 5/18/05
Compromise Amount Offered	\$11,466	% of Charges	33%
Amount to be Written Off	\$22,932	Facility	RLANRC

JUSTIFICATION

This patient was treated at RLANRC and incurred total inpatient charges of \$34,398 for medical services rendered. The patient's Medi-Cal was denied and the patient declined ATP. The patient recently suffered a second stroke and has medical bills from another hospital. Based on the information provided, it appears the patient does not have the financial means to pay the full cost of care and this is the highest amount he is able to contribute to settle the account. The current compromise offer is higher than potential Medi-Cal reimbursement and the County's variable cost.